

CAUSE OF INFLATION

The current political trick is to blame the wage earner for currency inflation. The falsity of this is shown in the history of previous periods of increasing wage demands. When England became prosperous during her free-trade period last century, wages rose substantially while price levels fell to such extent that England could undersell the world. In Australia the start of this century saw gradually increasing wages yet prices stayed unchanged until the 1914 war!

Wage earners know that if prices rise their wages must also rise unless living standards are to be cut. They know, too, that inflation — too much money chasing too few goods — is not their fault.

The truth is that Government policies are responsible.

Canberra has failed to treat the publicly created site-rents as the public revenue that they are! As a result goods and earnings have been taxed, prices have been raised and production has been deterred. But Governments do even worse! Needing more money but fearing to tax more heavily, they further plunder producers by printing additional paper money. Since 1939, our currency has been inflated from £47 million to £372 million. Per head of population, the increase has been from £5/16/- to £37/8/-, yet obviously the quantity of goods in circulation is not now seven times that of 1939!

Make no mistake about inflation! Wage earners did not print the additional currency. And it is also untrue to assert that they fail to produce the goods. For time spent on actual production, Australian work is quite equal to that in other advanced countries. But lots of good Australian time is wasted over taxes. For alleged failure in production you can properly blame taxation. Income Tax schedules show plainly that increased production is severely penalized. Pay Roll tax, Sales tax and the myriad other taxes all divert labour into unproductive channels, both in the manufacture office and in the tax departments. The effect is that an army of men is wasted on unproductive work. And then Canberra, fearful at the result, blames wage earners for low production and high costs. Just how big can they make this stupid fiction.

The history of past governments and the words and actions of both present government and opposition, shows that Australians must express their opinions very clearly if any notice is to be taken in Canberra. Pressure can be exerted in a minor degree through the branches and conferences of the dominant political groups. But that process is slow and often obstructed. Your most effective action is to join the Henry George Justice Party. Join us in opposing economic malpractice and Canberra will soon take notice.

Our party is making it obvious that community revenue now got by taxes on goods and earnings, could be got by non-inflationary charges on the sites on which the community operates. Put into effect, our policy would encourage production without reducing wages.

Government Revenue would go further and the basic causes of inflation would thus be removed.

(Broadcast) W.H.P.